

**VIRGINIA COLLEGE BUILDING AUTHORITY
BOARD OF COMMISSIONERS MEETING**

November 21, 2008 10:30 a.m.

Treasury Board Conference Room

James Monroe Building

101 North 14th Street, 3rd Floor

Richmond, Virginia

Members Present: William L. Nusbaum, Chairman
John "Jack" F. Carter, Vice Chairman
Jefferson S. Cooper
Vinod B. Agarwal
J. Braxton Powell
Edward Villanueva

Members Absent: Daniel J. LaVista
Joseph S. Testa
Daniel S. Timberlake
David A. Von Moll
Elaine R. Wilde

Others Present: Robert E. Gordon, Esq. Troutman Sanders LLP
Russell Carmichael State Council of Higher Education
Hope Broughman Auditor of Public Accounts
Evelyn Whitley Secretary, VCBA, Department of the Treasury
Janet A. Aylor Assistant Secretary, VCBA, Department of
the Treasury
Robert Young Department of the Treasury
Jeanine Black Department of the Treasury
Treasury Staff and others attended

Call to Order and Approval of Minutes

Mr. Nusbaum called the meeting to order at 10:30 a.m. After welcoming Mr. Jefferson Cooper, the new Board member appointed to succeed Heidi Abbott, congratulating Dr. Vinod Agarwal, on his reappointment, and welcoming Deputy Treasurer, Robert Young, he asked if there were any members of the public present that wished to comment on Board activities. There was no public comment.

Mr. Nusbaum then asked if there were any comments on or corrections to the minutes of the September 12, 2008, Virginia College Building Authority Board Meeting. Hearing none, he requested a motion for approval of the minutes. Dr. Agarwal made the motion; Mr. Villanueva seconded, and all members present unanimously adopted the motion.

Election of Vice-Chairman

Mr. Nusbaum solicited nominations for the position of Vice-Chairman, which had become vacant with the departure of Ms. Abbott. Mr. Powell nominated Mr. Carter and Mr. Nusbaum asked if there were any other nominations. Hearing none, he requested a motion to elect Mr. Carter as Vice-Chairman, effectively immediately. Mr. Villanueva made a motion to elect Mr. Carter as Vice-Chairman of the Authority; Dr. Agarwal seconded, and all members present unanimously adopted the motion.

Market Update

Ms. Aylor introduced Ms. Janet Lee and Ms. Christine Ilarina both from Public Resources Advisory Group (“PRAG”), financial advisors to the Authority, who participated by telephone. Ms. Lee provided a summary of the current market conditions and rates. She reviewed PRAG’s market update presentation that was included in the board package (Exhibit A). A discussion ensued.

Ms. Lee indicated that currently retail investors were supporting the municipal market and the municipal market appears to be opening back up. Mr. Villanueva asked why the VCBA bond sale was postponed until December. Ms. Aylor explained that there were no buyers and Ms. Lee indicated that the municipal market was basically shut down. A discussion ensued.

Consideration of Approval of Amended and Restated Resolution Approving the Issuance of Virginia College Building Authority Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2008A

Ms. Aylor provided a brief overview of the proposed issue and changes to the amended and restated resolution. She explained that the College of William and Mary decided to participate in the pooled fixed rate transaction and not issue variable rate bonds due to the high cost to issue variable rate bonds in the current market conditions. She also stated that George Mason University is requesting funding for an additional project which was included in the revised project list (Exhibit A of the Amended and Restated Resolution). Ms. Aylor indicated that the revised amended and restated resolution also authorize the bonds to be sold pursuant to a competitive bidding process or a negotiated underwriting as deemed necessary depending on the market conditions. A further discussion ensued.

Mr. Robert Gordon from Troutman Sanders LLP, bond counsel to the Authority, reviewed the revised Amended and Restated Resolution before the Board. He stated that there was an increase in the parameters due to the current market conditions. A further discussion ensued.

Mr. Carter moved the approval of the Resolution (Attachment A) of the Virginia College Building Authority authorizing the issuance and sale of its Educational Facilities Revenue Bonds (Public Higher Education Financing Program), Series 2008A; Mr. Villanueva seconded, and the motion was unanimously adopted by all members present.

Other Business

Ms. Lee reviewed the analysis report of the on-going monitoring and reporting of the Virginia College Building Authority Variable Rate Educational Facilities Revenue Bonds, Series 2006B and Series 2006C, as provided by PRAG (Exhibit B). A discussion ensued.

Adjournment

Having no other business to be brought before the Board, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,
Janet A. Aylor
Assistant Secretary

/s/ Janet A. Aylor _____

Exhibits may be obtained by contact the Department of the Treasury at (804) 225-2142.

AMENDED AND RESTATED VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION AUTHORIZING THE ISSUANCE OF ITS EDUCATIONAL FACILITIES REVENUE BONDS (PUBLIC HIGHER EDUCATION FINANCING PROGRAM)

WHEREAS, the Virginia College Building Authority (the “Authority”) is a body corporate and politic, constituting a public corporation and governmental instrumentality of the Commonwealth of Virginia (the “Commonwealth”) created by the Virginia College Building Authority Act of 1966 (the “Act”), Chapter 3.2, Title 23, Code of Virginia of 1950, as amended (the “Virginia Code”);

WHEREAS, the Authority is empowered, among other things, to finance the construction of projects of capital improvement (the “Projects”) at public higher educational institutions in the Commonwealth (the “Institutions”) by issuing its revenue bonds and using the proceeds of such revenue bonds to purchase debt obligations issued by such Institutions, pursuant to Chapter 3 of Title 23 of the Virginia Code, to finance or refinance such Projects;

WHEREAS, the issuance of revenue bonds for such purpose is referred to as the “Public Higher Education Financing Program” (the “Program”), and multiple series of bonds have been issued under the Program (the “Prior Bonds”);

WHEREAS, on September 12, 2008, the Authority adopted a VIRGINIA COLLEGE BUILDING AUTHORITY RESOLUTION AUTHORIZING THE ISSUANCE OF ITS EDUCATIONAL FACILITIES REVENUE BONDS (PUBLIC HIGHER EDUCATION FINANCING PROGRAM) (the “Prior Resolution”), which authorized a plan of financing by the Authority and certain public institutions of higher education in the Commonwealth and the issuance of certain bonds and related notes as therein described;

WHEREAS, since the adoption of the Prior Resolution, (a) the capital markets have experienced severe disruption and such disruption has, among other things, severely restricted market access and caused spikes in market interest rates or true interest costs, (b) George Mason University has requested inclusion of an additional project to be financed and (c) the College of William and Mary has requested the ability to provide additional financing as part of this pooled fixed rate transaction for a project previously financed by the Authority, rather than requesting the issuance by the Authority of stand-alone variable rate bonds for such purpose;

WHEREAS, accordingly, (a) the Authority’s financial advisor, Public Resources Advisory Group, Inc. (the “Financial Advisor”) has recommended that (i) a determination be made closer to the time the Authority enters the bond market whether to offer and sell such bonds pursuant to a competitive bidding process or a negotiated underwriting, (ii) the maximum principal amount set forth in the Prior Resolution be increased, and (iii) the maximum true interest costs on such bonds and related notes set forth in the Prior Resolution be increased, and (b) the Authority has determined to amend and restate the Prior Resolution to reflect (i) the Financial Advisor’s recommendations and (ii) the requests of George Mason University and the

College of William and Mary;

WHEREAS, in furtherance of the purposes of the Act and the Program, the Authority has determined to issue and sell a series of obligations issued for the Program under the Master Indenture of Trust dated as of September 1, 1997 (as previously supplemented, the “Master Indenture”), between the Authority and The Bank of New York Mellon, as successor trustee (the “Trustee”), as further supplemented by the Fourteenth Supplemental Indenture of Trust to be dated as of the first day of the month in which such obligations are issued (the “Supplemental Indenture”), between the Authority and the Trustee, which obligations shall be the Educational Facilities Revenue Bonds (Public Higher Education Financing Program), with appropriate series designation depending on their issuance date (the “2008 Bonds”);

WHEREAS, the proceeds of the 2008 Bonds will be used to purchase debt obligations issued by certain participating Institutions pursuant to the Loan Agreements described below to finance or refinance the construction of certain Projects (the “2008 Projects”) described in the revised list attached as Exhibit A hereto provided that one or more of such Institutions may determine before the 2008 Bonds are issued to finance one or more of such Projects in another way or at another time and, accordingly, the final list of participating Institutions and 2008 Projects may include fewer Institutions and Projects than are listed in Exhibit A hereto, as shall be determined by the State Treasurer as provided herein;

WHEREAS, the 2008 Bonds will be offered for sale pursuant to a Preliminary Official Statement, to be dated the date of its release (the “Preliminary Official Statement”) and, depending on market and other economic and financial conditions, will be (a) awarded by the Authority through a competitive electronic bidding process using a Notice of Sale, to be dated the date of the Preliminary Official Statement (the “Notice of Sale”), which states the structure and terms of the sale of the proposed 2008 Bonds, or (b) sold pursuant to one or more Bond Purchase Agreements, to be dated as of the date of sale of the 2008 Bonds (collectively, the “Bond Purchase Agreement”), between the Authority and one or more underwriters to be selected as described below (collectively, the “Underwriters”);

WHEREAS, Institutions whose Projects were financed or refinanced with proceeds of Prior Bonds (the “Transferring Institutions”) may desire, in accordance with certain provisions of the Master Indenture, to use a portion of the proceeds of the Prior Bonds attributable to Projects which have been completed at a cost under the anticipated amount (the “Excess Proceeds” of the “Prior Projects”) on 2008 Projects (the “Project Transfer”);

WHEREAS, the Master Indenture provides that a Transferring Institution submit a completion certificate for each Prior Project, and upon such submission, the Authority may maintain the Excess Proceeds in the Construction Account created under the Indenture for the Prior Projects to the extent needed to pay the Costs of any Projects; *provided* that (a) there is reserved in such Construction Account an amount for remaining Costs of the Prior Projects and any Rebate Amount owing by the Transferring Institution in connection with the Prior Bonds and (b) the Transferring Institution has caused to be delivered to the Trustee an Opinion of Counsel to the Authority to the effect that the Project Transfer is authorized or permitted; and (c) the applicable supplemental indenture permits the exhibit thereto listing certain amounts and deposits relating to the Prior Projects to be amended or supplemented by the Authority and the

Trustee from time to time without the consent of the Holders; and

WHEREAS, the foregoing arrangements will be reflected in the following documents, drafts of which were previously presented to the Authority at the meeting held on September 12, 2008 and filed with the Authority's records:

- (a) the Supplemental Indenture, together with the form of the 2008 Bonds attached as Exhibit A thereto;
- (b) a form of the Loan Agreement to be dated as of the first day of the month in which the 2008 Bonds are issued between the Authority and each participating Institution (the "Loan Agreements"), providing for certain matters regarding the issuance and purchase of the Notes (as described below) and the development and operation of the 2008 Projects;
- (c) a form of the Note to be issued by each participating Institution to the Authority, in the form attached to the form of the related Loan Agreement as Exhibit B (the "Notes"), and the form of the Assignments appended thereto (the "Assignments") pursuant to which the Authority assigns the Notes to the Trustee, without recourse, as security for the 2008 Bonds and other obligations that have been and may be issued under the Master Indenture;
- (d) the Preliminary Official Statement with respect to the 2008 Bonds;
- (e) the Notice of Sale with respect to the 2008 Bonds, if sold through a competitive bidding process;
- (f) a form of the Amendment to Supplemental Indenture, to be entered into by the Authority and the Trustee, and to be agreed to by the Transferring Institutions, authorizing the transfer of excess funds from Prior Projects, which have been completed for costs under the anticipated amount, to 2008 Projects; and
- (g) a Continuing Disclosure Agreement of the Authority, in the form attached to the Preliminary Official Statement as Appendix D (the "Continuing Disclosure Agreement").

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA COLLEGE BUILDING AUTHORITY:

1. Preliminary Official Statement; Notice of Sale. The Preliminary Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Treasurer of the Authority) or his staff in connection with the offering and sale of the 2008 Bonds, is approved and the distribution thereof is authorized. The Authority authorizes the State Treasurer to deem the Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and distribution of the Preliminary Official Statement shall constitute conclusive evidence that it has been deemed final as of its date, except for the omission of such pricing and

other information permitted to be omitted by the Rule. The Notice of Sale, in substantially the form presented at this meeting, with such completions, omissions, additions and changes as shall be approved by the State Treasurer or his staff in connection with the offering and sale of the 2008 Bonds, is approved and the distribution and advertisement thereof, in the event the 2008 Bonds are being sold through a competitive bidding process, as determined by the State Treasurer, is authorized.

2. Negotiated Sale or Competitive Bidding; Credit Ratings. The Authority authorizes and directs its staff, the Financial Advisor and its bond counsel, Troutman Sanders LLP: (a) to prepare all documentation and take all action necessary or desirable to bring the 2008 Bonds to market through either a negotiated sale or a competitive bidding process, which may include the execution and delivery of the Bond Purchase Agreement or the use of electronic bidding, as soon as practicable, (b) to advertise the 2008 Bonds for sale in the event the 2008 Bonds are being sold through a competitive bidding process, and (c) to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the 2008 Bonds from Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., Fitch Ratings, Inc., and/or Moody's Investors Service, Inc.

3. Issuance and Sale of 2008 Bonds. Pursuant to the Act, the Authority authorizes the issuance of its 2008 Bonds in accordance with the Supplemental Indenture and the sale thereof in accordance with the Notice of Sale in the event the 2008 Bonds are sold through a competitive bidding process or the Bond Purchase Agreement in the event the 2008 Bonds are sold in a negotiated sale, including the receipt of bids electronically or the selection of the Underwriters, as applicable; *provided, however*, that (a) the aggregate principal amount of the 2008 Bonds shall not exceed \$330,000,000; (b) the true interest cost of the 2008 Bonds, determined in accordance with the terms of the Bond Purchase Agreement or the Notice of Sale, as applicable, shall not exceed 6.50%, taking into account original issue discount or premium, if any; (c) the final maturity of the 2008 Bonds does not exceed September 1, 2038; and (d) the 2008 Bonds shall have regularly scheduled payments of principal and interest that do not exceed the sum of the Basic Payments due under, and as described in, the Notes.

4. Bond Documents. The Authority ratifies and confirms the Master Indenture. The form of the Supplemental Indenture, including the form of the 2008 Bonds and the form of the Loan Agreements, including the form of the Assignments, and the form of the Amendment to Supplemental Indenture, are approved by the Authority with such changes, insertions, additions and deletions as the State Treasurer shall approve. The approval of any such changes, insertions, additions and deletions shall be evidenced conclusively by the execution and delivery of the 2008 Bonds by the officers of the Authority. The Authority hereby authorizes and directs its officers to execute and deliver the Supplemental Indenture, the 2008 Bonds, the Loan Agreements and the Assignments, and any Amendment to Supplemental Indenture.

5. Delegation to State Treasurer; Sale or Award of Series 2008 Bonds. The Authority hereby delegates to the State Treasurer the power with respect to the 2008 Bonds, subject to the limitations set forth in paragraph 3: (a) to determine the final list of the participating Institutions, the 2008 Projects, and the Transferring Institutions; (b) to determine the details of the 2008 Bonds and the Notes, including, without limitation, the maturity schedule,

the interest rates and the redemption provisions; (c) to deem the Preliminary Official Statement final as of its date as contemplated in paragraph 1 and to complete the Preliminary Official Statement in final form as contemplated in paragraph 6; (d) to postpone or cancel the sale of the 2008 Bonds in his sole discretion; (e) to determine the manner of sale of the 2008 Bonds either through a competitive bidding process or a negotiated sale; and (f) to take all such further action as may be necessary or desirable for the issuance and sale of the 2008 Bonds and to effect the Project Transfers.

If in the State Treasurer's sole determination the then-current market or other conditions warrant a sale of the 2008 Bonds through a competitive bidding process, the State Treasurer shall award the 2008 Bonds to the responsive bidder whose bid offers to purchase the 2008 Bonds at the lowest true interest cost to the Authority as determined by the Financial Advisor (the "Winning Bidder" and the "Winning Bid"), all in accordance with the terms of the Notice of Sale.

If in the State Treasurer's sole determination the then-current market or other conditions warrant a negotiated sale of the 2008 Bonds, the State Treasurer is hereby authorized, subject to the limitations set forth in paragraph 3, to negotiate the provisions of the Bond Purchase Agreement, determine the Underwriters for the 2008 Bonds, including any syndicate members and members of the selling group for the 2008 Bonds, and determine the prices at which the 2008 Bonds will be offered by the Underwriters to the public, and the Chairman, the Vice Chairman and the State Treasurer are each authorized, without the joinder of the others, to execute and deliver such Bond Purchase Agreement.

The State Treasurer shall execute a certificate evidencing determinations or other actions taken pursuant to the authority delegated in this Resolution, and any such certificate shall be conclusive evidence of the action or determination of the State Treasurer as stated therein.

6. Official Statement. The Authority authorizes and directs the State Treasurer and his staff to complete the Preliminary Official Statement as an official statement in final form (the "Official Statement"). The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his approval of the Official Statement and that the Authority has deemed it final within the meaning of the Rule. The Authority authorizes and directs its staff to arrange for the delivery to the Underwriters or the Winning Bidder, as applicable, of a reasonable number of copies of the Official Statement, within seven business days after the sale date of the 2008 Bonds, for distribution by the Underwriters or the Winning Bidder, as applicable, to each potential investor requesting a copy thereof and to each person to whom the Underwriters or the Winning Bidder, as applicable, initially sells 2008 Bonds. The Authority authorizes and approves the distribution of the Official Statement by the Underwriters or the Winning Bidder, as applicable.

7. Continuing Disclosure. The Authority covenants to undertake ongoing disclosure and to provide "annual financial information" and "material event notices" in accordance with the Continuing Disclosure Agreement, for the benefit of holders of the 2008 Bonds to assist the Underwriters or the Winning Bidder, as applicable, in complying with the Rule. The Authority authorizes and directs its Chairman, Vice Chairman, Treasurer or any of its officers to execute the Continuing Disclosure Agreement in substantially the form attached as Appendix D to the

Preliminary Official Statement presented at this meeting, which is approved with such completions, omissions, insertions and changes as the Chairman, Vice Chairman, Treasurer or any of the Authority's officers may approve. The execution by the Chairman, Vice Chairman, Treasurer or any of the Authority's officers of the Continuing Disclosure Agreement shall constitute conclusive evidence of approval of any such completions, omissions, insertions and changes.

8. Other Documents. The Authority authorizes and directs its officers and staff to execute and deliver all certificates, instruments and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2008 Bonds and the Project Transfer. Such certificates may include a certificate (a) setting forth the expected use and investment of proceeds of the 2008 Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, (b) making any elections that such officers deem desirable regarding any provisions requiring rebate to the United States of arbitrage profits earned on investments of proceeds of the 2008 Bonds, and (c) providing for payment of any such rebate amount.

9. Other Actions. The Authority approves and confirms all other actions of its officers and staff which are in conformity with the purpose or intent of this Resolution and in furtherance of (a) the issuance and sale of the 2008 Bonds, the use of the proceeds thereof, and the effecting of the Project Transfer and (b) the implementation of the Program.

10. Administrative Fee. The General Assembly of Virginia has authorized the Authority to charge, and the Authority hereby provides that it will charge, each participating Institution an administrative fee of 10 basis points of the amount financed for such Institution's 2008 Projects. Such fee shall be determined as of and due upon the issuance of the 2008 Bonds.

11. Effective Date. This Resolution amends and restates the Prior Resolution and shall take effect immediately upon its adoption.

Adopted: November 21, 2008

The undersigned Assistant Secretary of the Virginia College Building Authority certifies that the foregoing is a true and correct copy of a Resolution adopted by the Board of Commissioners of the Authority, upon the vote as noted below, at a duly called meeting of the Board of Commissioners held on November 21, 2008.

<u>Commissioner</u>	<u>Present/Absent</u>	<u>Vote</u>
J. Braxton Powell	Present	Aye
David A. Von Moll	Absent	
Daniel S. Timberlake	Absent	
Daniel J. LaVista	Absent	
William L. Nusbaum	Present	Aye
John F. "Jack" Carter II	Present	Aye
Jefferson S. Cooper	Present	Aye
Vinod B. Agarwal	Present	Aye
Joseph S. Testa	Absent	
Elaine R. Wilde	Absent	
Edward Villanueva	Present	Aye

/s/ Janet A. Aylor
 Assistant Secretary,
 Virginia College Building Authority

Date: November 21, 2008

EXHIBIT A

2008 INSTITUTION	PROJEC T NUMBER	2008 PROJECT
Christopher Newport University:	17361	Expand Athletic Facilities II
	17567	Construct Ratcliffe Hall Addition
	17633	Land Acquisition
College of William and Mary:	16296	Construct Integrated Science Center
	16648	New Construction School of Business Building
George Mason University	15812	Patriot Center Addition/Renovation
	16523	Arlington Phase II
	16745	Prince William Performing Arts Center
	17049	Construct: Parking Deck III
	17054	Physical Education Addition/Renovation
	17142	Fairfax Surge Space Fit Out Data Center
	17365	Construct: Academic VI and Research II Facility
	17368	Physical Education Addition Phase II
	17371	Prince William Regional Biomedical Laboratory
	17374	Construct: Hotel and Conference Center
	17485	Renovate & Construct: Addition to Student Center I
	17508	Renovate Student Union II Building
	17573	Parking Deck III Phase II
17574	West Campus Connector and Campus Entrances	
James Madison University:	17096	New Construction: Multipurpose Recreational Fields
	17505	New Construction: Softball and Baseball Complex
Longwood University:	17318	Addition and Renovation of Lankford Hall
	17322	Renovation of Athletic Offices and Support Facilities
	17323	Heating Plant Phase III
Old Dominion University:	17347	Construct Parking Facility on 49th Street
	17483	Powhatan Sports Center
Virginia Commonwealth University:	16721	Medical Sciences Building, Phase II
	17405	Monroe Park & MCV Campus Recreation Facilities
Virginia Community College System:	17068	Construct: Student Center, Norfolk Campus
Virginia Polytechnic Institute & State University:	17120	Upgrade Campus Heating Plant
	17556	Repair McComas Hall Exterior Wall Structure